



COMMONWEALTH of VIRGINIA

Mark R. Werner
Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT Division of Community Development

Michael J. Schewel
Secretary of
Commerce and Trade

William C. Shelton
Director

August 30, 2002

Mr. James O. McReynolds
County Administrator
York County Community Services Department
224 Ballard Street
Post Office Box 532
Yorktown, Virginia 23690

Dear Mr. McReynolds:

The Virginia Department of Housing and Community Development (DHCD) and the Virginia Department of Social Services (DSS) are extending your current Virginia Individual Development Accounts (VIDA) contract until April 30, 2003. By extending the VIDA contracts, most of your program participants will now have a full two years to save and build their savings accounts.

We have outlined and attached new policy procedures your organization must follow during this extension period. These new policy procedures are in addition to the original VIDA manual you have already been using. These new policies cover procedures for administrative and participant matching funds draw requests, and allow the draw down of match funding on a regular basis.

Please have your board develop a resolution in support of this contract extension agreement. At a minimum, the resolution should include the information outlined in the attached material entitled *Board Resolution Requirements*. We cannot approve any draw requests until our office receives the resolution from your board. The board chairperson should sign the resolution.

Please review the enclosed material, and if you have questions, please contact Sabrina Blackett at (804) 371-7030.

Sincerely,

Louellen Brumgard
Associate Director

cc: Ms. Yvonne Moore/ Mr. Frank Rogers

Partners for Better Communities



www.dhcd.state.va.us

Board Resolution Requirements

Your board's resolution must include the following information:

- The board understands that the timeframe of the VIDA contract is extended until April 30, 2003. The funding amount of the VIDA contract remains the same as the initial VIDA contract, which includes no more than 20 percent of the total grant amount for administrative expenses.
- The board understands the new draw down policy, dated September 2, 2002 to April 30, 2003.
- The program site will establish an escrow account to be used solely for VIDA matching funds. Any funds not used for an individual's match, to purchase his savings goal by April 30, 2002, shall be returned to DHCD, by May 20, 2003. This escrow account is located at _____.
- The escrow account will be labeled an "escrow account" and include the name of the VIDA program site on the account.
- The board chairperson will sign and date the resolution.

<p style="text-align: center;">Draw Procedures for the Virginia Individual Development Accounts (VIDA) Contract Extension Period September 2, 2002 to April 30, 2003</p>

Quarterly Draw Request

Each VIDA program site will need to draw matching and administrative funds quarterly. The draw request must be submitted to DHCD by the following dates:

<u>Quarter</u>	<u>Due to DHCD</u>
July 1, 2002 to September 30, 2002	Due by October 10, 2002
October 1, 2002 to December 31, 2002	Due by January 10, 2003
January 1, 2003 to April 30, 2003	Due by May 9, 2003

Escrow Accounts

All matching funds drawn from DHCD will need to be deposited into an Escrow Account under the VIDA program site's name. Any deposited matching funds not used by the program participants will revert back to DHCD. If a saver withdraws from the program, their matching money either reverts back to DHCD or can be applied as match for other savers, provided the VIDA program site is still under contract with DHCD.

Matching Funds

Each program site will need to supply a list of savers and their individual savings totals to DHCD with their draw request. If a saver withdraws from the program, it should be noted within the back-up draw request documentation. Be sure to include the saver's name and the amount of match money that was drawn for the saver.

If a saver withdraws from the program any matching funds drawn for that saver and placed into your Escrow Account will be reallocated to another saver. For example, if you have a participant who saved \$200 by the end of the quarter you would submit a \$400 matching funds draw request to DHCD. If the saver withdraws from the program before the next quarter, you would then apply the \$400 matching funds to another saver. Your next draw request will have an explanation attached about the saver who withdrew from the program, and you will draw \$400 less the amount you need in matching funds. A draw request example is attached.

Example Example

(organization's name) VIDA Program Site

VIDA Participant Accounts Documentation

For the quarter of July 1, 2002 to September 30, 2002

Participant's Name	Total Amount of Savings to Date	Total Amount of VIDA Match Drawn to Date	Deposit Total For the Quarter	VIDA 2:1 Match for the Quarter	Total Savings and Match through the Quarter	Comments
S. Adams	\$1,360	\$2,720	\$ 80	\$160	\$4,320	
D. Lee	\$ 125	\$ 250	\$30	\$ 60	\$ 465	
P. Moss	\$ 285	\$ 570	\$50	\$100	\$1,005	
Total	\$1,770	\$3,540	\$160	\$320	\$5,790	

Total VIDA match for quarter =

Total matching funds reverted to other participants =

Total match requested from VIDA for the Quarter=

\$320.00

-\$ 0.00

\$320.00

Example Example

(organization's name) VIDA Program Site

VIDA Participant Accounts Documentation

For the quarter of October 1, 2002 to December 31, 2002

Participant's Name	Total Amount of Savings to Date	Total Amount of VIDA Match Drawn to Date	Total Deposit For the Quarter	VIDA 2:1 Match for the Quarter	Total Savings and Match through the Quarter	Comments
S. Adams	\$1,440	\$2,880	\$100	\$200	\$4,620	
D. Lee	\$ 155	\$ 310	N/A	N/A	N/A	Withdrawn from Program
P. Moss	\$ 335	\$ 670	\$130	\$260	\$1,395	
Total	\$1,930	\$3,860	\$230	\$460	\$6,015	

NOTE: D. Lee withdrew from the program on November 13, 2002. His account had a total VIDA matching funds drawn-down amount of \$310. The \$310 will be reverted to other participants' accounts. Therefore the total matching funds draw amount for this quarter is \$460-\$310=\$150.

Total VIDA match for quarter =
Total matching funds reverted to other participants =
Total match requested from VIDA for the Quarter=

\$460.00
-\$310.00
\$150.00